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1 UNITED STATES PATENT AND TRADEMARK OFFICE
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4 BEFORE THE BOARD OF PATENT APPEALS
5 AND INTERFERENCES
6 —————————
7
8 *Ex parte* MARY BALOGH
9 —————————
10
11 Appeal 2009-003663
12 Application 10/608,254
13 Technology Center 3600
14 —————————
15
16 Decided: December 16, 2009
17 —————————
18
19
20 *Before* MURRIEL E. CRAWFORD, HUBERT C. LORIN, and BIBHU R.
21 MOHANTY, *Administrative Patent Judges*.
22
23 CRAWFORD, *Administrative Patent Judge*.
24
25
26 DECISION ON APPEAL

1   STATEMENT OF THE CASE

2   Appellant appeals under 35 U.S.C. § 134 (2002) from a final rejection

3   of claims 1-17. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

4   Appellant invented systems and methods for managing the collection

5   of unpaid receivable accounts for healthcare enterprises (Spec. 1:10-11).

6   Claim 1 under appeal is further illustrative of the claimed invention as

7   follows:

8   1.   A method for processing claim data for
9   reimbursement of provision of healthcare to a patient in
10   response to rejection, denial, or lack of response to a submitted
11   claim, comprising the steps of:

12   automatically selecting an internal activity code from a
13   predetermined internal activity code set specific to a particular
14   organization and including a plurality of codes identifying
15   processing to be performed concerning rejected claim data in
16   response to a received notification of claim denial or rejection;

17   automatically assigning said selected internal activity
18   code to rejected claim data associated with said received
19   notification;

20   automatically scheduling a task comprising performing
21   processing concerning said rejected claim data to derive
22   corrected claim data including at least one (a) claim data
23   supplemental to said rejected claim data and (b) amended
24   rejected claim data, in response to said assigned selected
25   internal activity code; and

26   preparing said corrected claim data by including a
27   standard activity code from a standard activity code set
28   different to said internal activity code set and facilitating
29   compatible communication between said particular organization
30   and a payer organization for submission to said payer
31   organization for payment.

32   The prior art relied upon by the Examiner in rejecting the claims on

33   appeal is:

1	Pritchard	US 4,491,725	Jan. 1, 1985
2	Diamant	US 5,530,861	Jun. 25, 1996
3	Giannini	US 5,915,241	Jun. 22, 1999
4	Provost	US 6,341,265 B1	Jan. 22, 2002

5   The Examiner rejected claims 4 and 12 under 35 U.S.C. § 112, second

6 paragraph for failing to particularly point out and distinctly claim the subject

7 matter which Appellant regards as the invention; claims 1-2, 12-14, and 16-

8 17 under 35 U.S.C. § 103(a)[1] as being unpatentable by Provost and

9 Pritchard; claims 3-5 and 15 under 35 U.S.C. § 103(a) as being unpatentable

10 over Provost, Giannini and Pritchard; and claims 6-11 under 35 U.S.C. §

11 103(a) as being unpatentable over Provost, Diamant, and Pritchard.

12   We REVERSE and ENTER A NEW GROUND under 37 C.F.R. §

13 41.50(b).

14

15   ISSUES

16   Did the Appellant show the Examiner erred in asserting that

17 "translating said interpreted received nonpayment code to said standard

18 activity code compatible with said standard activity code set," as recited in

19 dependent claim 4, is indefinite?

20   Did the Appellant show the Examiner erred in asserting that

21 "determining from said notification whether said rejected claim data was

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[1] On page 4 of the Examiner's Answer and page 3 of the final Office Action
mailed May 3, 2007, the Examiner erroneously listed claims 1-2, 12-14, and
16-17 as being rejected "under 35 U.S.C. [§] *102(e)* as being unpatentable
by Provost ... in view of Pritchard" (emphasis added). As the Examiner
treats the balance of the analysis as a rejection under § 103(a), and Appellant
responds as if the rejection was under § 103(a), we find that the error is a
minor clerical error that, other than correction, does not require further
action.

1   accompanied by a denial or rejection notification," as recited in dependent

2   claim 12, is indefinite?

3   Did the Appellant show the Examiner erred in asserting that a

4   combination of Provost and Pritchard renders obvious "automatically

5   selecting an internal activity code ... in response to" a received notification

6   of claim denial or rejection, or identified nonpayment

7   reason, and "automatically assigning said selected internal activity code to

8   rejected claim data associated with said received notification," as recited in

9   independent claims 1, 14, and 17?

10

11   FINDINGS OF FACT

12   *Specification*

13   Appellant invented systems and methods for managing the collection

14   of unpaid receivable accounts for healthcare enterprises (Spec. 1:10-11).

15

16   *Provost*

17   Provost discloses interactively creating insurance claims on a client

18   computer that communicates with a remote server computer, whereby a

19   health care provider can be almost immediately informed whether the

20   created insurance claim is in condition to be paid (col. 1, ll. 6-12).

21   If the insurance claim is not in condition to be paid, the remote server

22   transmits information to the client computer to inform the medical

23   technician. The information transmitted to the client computer can include

24   an indication of the reason for rejection of the claim and, optionally,

25   suggestions on how to remedy the problem. In response, the health care

26   providers change the treatment, otherwise amend the claim form, or inform

1   the patient that the insurance plan will not cover the treatment. When a

2   claim form has been amended, the new information can be transmitted to the

3   remote server to repeat the process of determining whether the claim is in

4   condition to be paid (col. 4, ll. 22-38).

5   The medical technician views a computer-displayable claim form

6   displayed by the client computer and enters a diagnosis code and a treatment

7   code that describe a medical diagnosis and associated treatment for a patient.

8   The diagnosis code and the treatment code are transmitted to the remote

9   server. The remote server performs an operation in response to the diagnosis

10   code and the treatment code to determine if these codes correspond to health

11   care services that are approved for payment. If the remote server determines

12   that the submitted claim will not be paid by an insurer, the remote server

13   transmits information to the client computer to inform the medical

14   technician of this result. In response, the medical technician can amend the

15   treatment code or any other desired information on the insurance claim to

16   place the claim in condition to be paid. After amending the claim, the claim

17   is again submitted to the remote server, where it is again analyzed to

18   determine whether it represents health care services that are approved for

19   payment (col. 6, ll. 2-21).

20

21   *Pritchard*

22   Pritchard discloses that when an error is detected in a submitted

23   standardized claims form, an appropriate error message is sent from

24   computer 26 via link 22 to the local terminal 20. The service provider 16

25   can then correct the form and send the corrected form to the central

26   brokerage computer 26 (col. 8, ll. 4-8).

1   When a correctly prepared claim form is received by the computer 26

2   from the terminal 20, the CPT-IV code, which was entered by the service

3   provider into the standard form, is converted by use of Table 72 for the

4   appropriate insurance carrier, herein labeled XYZ Mutual. Table 72

5   converts the five digit CPT-IV code into a four digit service code for the

6   selected insurance carrier. Next, the file for that particular carrier, such as

7   file 70 shown in Figure 6, is referenced with the selected service code. This

8   service code is then utilized to read the claim payment for that particular

9   service code. This claim payment amount is then transmitted, together with

10   a control number for the particular claim, via the telecommunications link 22

11   back to the local entry terminal 20.

12

13   PRINCIPLES OF LAW

14   *Claim Construction*

15   The context of the surrounding words of the claim must be considered

16   in determining the ordinary and customary meaning of those terms. *ACTV,*

17   *Inc. v. Walt Disney Co.*, 346 F.3d 1082, 1088 (Fed. Cir. 2003).

18   The second paragraph of 35 U.S.C. § 112 requires claims to set out

19   and circumscribe a particular area with a reasonable degree of precision and

20   particularity. *In re Johnson*, 558 F.2d 1008, 1015 (CCPA 1977).

21   A claim is definite if "one skilled in the art would understand the

22   bounds of the claim when read in light of the specification." *Personalized*

23   *Media Commc'ns, LLC v. Int'l Trade Comm'n*, 161 F.3d 696, 705 (Fed. Cir.

24   1998).

25   Two distinct claim elements should each be given full effect. *Unique*

26   *Concepts, Inc. v. Brown*, 939 F.2d 1558, 1563 (Fed. Cir. 1991).

1   *35 U.S.C. § 101*

2   The test to determine whether a claimed process recites patentable

3   subject matter under § 101 is whether: (1) it is tied to a particular machine or

4   apparatus, or (2) it transforms a particular article into a different state or

5   thing. *In re Bilski*, 545 F.3d 943, 961-62 (Fed. Cir. 2008) (*en banc*).

6

7   ANALYSIS

8   *Nonpayment and Standard Activity Code*

9   We are persuaded of error on the part of the Examiner by Appellant's

10 argument that "translating said interpreted received nonpayment code to said

11 standard activity code compatible with said standard activity code set," as

12 recited in dependent claim 4, is not indefinite (App. Br. 7). The Examiner

13 asserts that the difference between the nonpayment code and standard

14 activity code is unclear because the Specification defines the standard

15 activity code referred to as a predetermined nonpayment activity code (Ex.

16 Ans. 20-21). The portion of page 8 of the Specification referenced by the

17 Examiner does inject some ambiguity into the differences between

18 nonpayment code and standard activity code. However, the balance of the

19 Specification and the relationship between nonpayment code and standard

20 activity code set forth in the claim itself (that the nonpayment code is

21 "translated" into the standard activity code) provides a reasonable degree of

22 precision and particularity to the terms to meet the definiteness requirements

23 of 35 U.S.C. § 112, second paragraph. *See ACTV, Inc. v. Walt Disney Co.*,

24 346 F.3d at 1088; *In re Johnson*, 558 F.2d at 1015.

1   *Denial or Rejection Notification*

2   We are persuaded of error on the part of the Examiner by Appellant's

3   argument that "determining from said notification whether said rejected

4   claim data was accompanied by a denial or rejection notification," as recited

5   in dependent claim 12, is not indefinite (App. Br. 7-8). The Examiner

6   asserts that the recitation of *rejected* claim data including *denial* notification

7   is confusing (Ex. Ans. 21). While the Appellant could have used less

8   confusing language by striking "rejected" from "rejected claim data," the

9   claim is sufficiently definite that one of ordinary skill would have

10 understood that both a denial notification and a rejection notification can be

11 a subset of rejected claim data. *See Personalized Media Commc'ns, LLC v.*

12 *Int'l Trade Comm'n*, 161 F.3d at 705.

13

14   *Internal Activity Code*

15   We are persuaded of error on the part of the Examiner by Appellant's

16 argument that a combination of Provost and Pritchard does not disclose

17 "automatically selecting an internal activity code ... in response to" a

18 received notification of claim denial or rejection, or identified nonpayment

19 reason, and "automatically assigning said selected internal activity code to

20 rejected claim data associated with said received notification," as recited in

21 independent claims 1, 14, and 17 (App. Br. 12-16, 19-22, 25-28). Provost

22 discloses that if the remote server determines that the submitted claim will

23 not be paid by an insurer, the remote server transmits information to the

24 client computer to inform the medical technician of this result. In response,

25 the medical technician can amend the treatment code or any other desired

26 information on the insurance claim to place the claim in condition to be paid.

1   Nowhere in this process does Provost disclose assigning an internal activity
2   code to the received denial/rejection/nonpayment notification. Instead, the
3   medical technician receives the notification from the remote server and
4   responds to the notification without the selection/assignment, automatically
5   or otherwise, of an internal activity code. While we agree with the
6   Examiner's argument on page 21 of the Examiner's Answer that "providing
7   an automatic means to replace a manual activity that accomplishes the same
8   result is not sufficient to distinguish over the prior art," here, the Examiner
9   has not shown how the *medical technician* responds to the notification by
10 selecting/assigning an internal activity code. In other words, Provost does
11 not disclose a manual equivalent to the step of selecting/assigning an internal
12 activity code that could be automated, because the medical technician
13 amends the treatment code/information on the insurance claim *without* the
14 use of an internal activity code.
15   The Examiner also cites column 8, lines 4-52 of Pritchard as
16 disclosing this aspect, first by asserting that the appropriate error message
17 sent from computer 26 via link 22 to the local terminal 20 corresponds to the
18 selecting/assigning an internal activity code (Ex. Ans. 5-6). However, as the
19 appropriate error message already corresponds to the recited "received
20 notification," it cannot also correspond to the step of selecting/assigning an
21 internal activity code. *See Unique Concepts, Inc. v. Brown*, 939 F.2d at
22 1563. Indeed, the Examiner admits as much on page 25 of the Examiner's
23 Answer ("Pritchard discloses an error message (i.e., received notification) in
24 response to a rejected claim data.")
25   The Examiner also "interprets that the service provider correcting the
26 form after the error message is sent is the same as a task being scheduled in

1   response to assigned internal activity code" (Ex. Ans. 6). While we agree

2   that "the service provider correcting the form after the error message is sent

3   is the same as a task being scheduled," the task is scheduled in response to

4   the error message/received notification, and not due to the assignment of an

5   internal activity code as claimed.

6   The Examiner further asserts that column 8, lines 11-25 of Pritchard

7   specifically disclose "assigning internal activity code to claim data" (Ex.

8   Ans. 25). However, the cited portion of Pritchard relates to converting five

9   digit CPT-IV codes of the service provider to appropriate four digit service

10   codes for the selected insurance carrier, and has nothing to do with

11   "assigning said selected internal activity code to rejected claim data

12   associated with said received notification," as recited in independent claims

13   1, 14, and 17.

14   Due to their dependence on one of independent claims 1 and 14, we

15   do not sustain the rejections of dependent claims 2-13 and 15-16 on these

16   grounds.

17

18   NEW REJECTION

19   Using our authority under 37 C.F.R. § 41.50(b), we reject method

20   claims 1-16 under 35 U.S.C. § 101 for failing to recite patentable subject

21   matter. Method claims 1-16 recite neither (1) a particular machine or

22   apparatus, nor (2) transforming a particular article into a different state or

23   thing. *See In re Bilski*, 545 F.3d at 961-62. Indeed, method claims 1-16 are

24   directed solely to data manipulation, and do not recite any tangible

25   machines, apparatus, or articles.

26

1   CONCLUSION OF LAW

2   On the record before us, Appellant has shown that the Examiner erred

3   in rejecting claims 1-17.

4   We enter a new ground of rejection of claims 1-16 under 35 U.S.C. §

5   103(a).

6

7   DECISION

8   The decision of the Examiner to reject claims 1-28 is affirmed.

9   This decision also contains new grounds of rejection pursuant to 37

10 C.F.R. § 41.50(b). 37 C.F.R. § 41.50(b) provides "[a] new ground of

11 rejection pursuant to this paragraph shall not be considered final for judicial

12 review." This Decision contains a new rejection within the meaning of 37

13 C.F.R. § 41.50(b) (2007).

14   37 C.F.R. § 41.50(b) also provides that Appellant, WITHIN TWO

15 MONTHS FROM THE DATE OF THE DECISION, must exercise one of

16 the following two options with respect to the new rejection:

17   (1) *Reopen prosecution.* Submit an
18   appropriate amendment of the claims so rejected or
19   new evidence relating to the claims so rejected, or
20   both, and have the matter reconsidered by the
21   Examiner, in which event the proceeding will be
22   remanded to the Examiner. . . .
23   (2) *Request rehearing.* Request that the
24   proceeding be reheard under § 41.52 by the Board
25   upon the same record. . . .

26   Should the Appellant elect to prosecute further before the Examiner

27 pursuant to 37 C.F.R. § 41.50(b)(1), in order to preserve the right to seek

28 review under 35 U.S.C. §§ 141 or 145 with respect to the affirmed rejection,

1 the effective date of the affirmance is deferred until conclusion of the

2 prosecution before the Examiner unless, as a mere incident to the limited

3 prosecution, the affirmed rejection is overcome.

4   If the Appellant elects prosecution before the Examiner and this does

5 not result in allowance of the application, abandonment or a second appeal,

6 this case should be returned to the Board of Patent Appeals and Interferences

7 for final action on the affirmed rejection, including any timely request for

8 rehearing thereof.

9   No time period for taking any subsequent action in connection with

10 this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv) (2007).

11

12   <u>REVERSED; 37 C.F.R. § 41.50(b)</u>

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